SAP for Consumer Products

Account and Trade Promotion Management for Consumer Products Companies

Maximize Promotion Revenue, Volume, and Profitability

Retailers expect promotions by consumer products companies to drive revenue, volume, profitability, and category growth. To achieve these goals, consumer products companies must present comprehensive promotional programs that are tightly integrated with consumer marketing campaigns and tailored to the specific needs of the retailer and its customers or target consumers. They must also forecast accurately, provide marketing support, and ensure inventory availability.

SAP CAN HELP

SAP offers a suite of solutions for account and trade promotion management – from promotion planning and optimization to account management, settlements and claims management, and postpromotion analysis. The solutions can help you better manage promotions and pricing guidelines to achieve target outcomes, define account-specific objectives and plans, quickly resolve claims and deductions, and assess the effectiveness of your promotions.

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A Comprehensive Set of Solutions for Consumer-Driven Promotions

Retailers expect programs to coordinate promotion activity with marketing campaigns tailored to their objectives and the needs of their shoppers. In addition to pricing and promotional vehicles, this activity can include packaging, merchandising, and more. Sales managers and trade marketers must bring these elements together in a meaningful way – collaborating extensively with cross-functional teams for brand marketing, supply chain management, and finance.

Sales and marketing teams must coordinate promotions with consumer-marketing campaigns to increase awareness and drive demand. Tight integration with the supply chain ensures accurate forecasting and adequate supply for anticipated spikes in demand. Such integration also helps manufacturing, logistics, and distribution teams deliver on time and in full to eliminate lost sales.

Integration with finance helps ensure that account managers and trade marketers have accurate, up-to-the-minute visibility into planned versus actual spend. This helps avoid over- or underspending versus budget, while enabling tight financial controls and compliance.

The SAP® Account and Trade Promotion Management for Consumer Products package connects marketing, supply chain, and finance processes to maximize the effectiveness of promotion spend. It brings together tools for promotion and strategy planning, promotion optimization, account management, settlements and claims management, and promotion analysis to help consumer products companies:

- Comply with pricing and promotion guidelines to drive top-line results while improving the bottom line and preserving brand image
- Improve forecast accuracy and optimize product availability when demand increases during promotions
- Empower account executives to act as general managers by tailoring promotions and programs to their customers and target consumers
- Align sales processes, trade promotions, marketing campaigns, and promotion execution to maximize consumer sell-through
- Monitor promotion results to focus investments on the most effective activities

A recent survey of consumer products companies by CGT Magazine showed that the top three challenges relating to trade promotion management are:

- Improving promotion effectiveness
- Predicting promotion outcomes
- Improving sales forecasting*

* Survey, "Trade Promotion Management: The Evolution Continues," *CGT Magazine*, 6/1/2012.

ESTABLISH AND MANAGE PROMOTION AND PRICING GUIDELINES

For effective trade promotions, you must find the right combination of price, promotion, and timing to achieve revenue, volume, and profitability targets for both your company and your retailer partners. SAP Account and Trade Promotion Management for Consumer Products helps you assess past results and identify the best options for future planning. It can also help you establish guidelines for approved promotional vehicles and timing by product, customer, region, and other parameters.

The software helps brand marketing teams maintain their price-to-value targets by defining and managing pricing parameters for temporary price reductions and other promotional vehicles. It lets trade marketers and sales managers plan and execute successful promotions to maximize trade spend effectiveness, while using approved promotional vehicles and pricing guidelines.

OPTIMIZE TRADE PROMOTION PLANS BASED ON TARGET OUTCOMES

You can determine optimal programs and promotions based on combinations of planned spending, available budgets, and business objectives. The software leverages advanced modeling and optimization to enable real-time comparisons of promotion scenarios, pricing options, and merchandising decisions. As a result, it predicts promotion outcomes and identifies those options most likely to achieve volume, revenue, and profitability goals for both manufacturers and retailers.

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Predict promotion outcomes and identify those options most likely to **achieve volume, revenue, and profitability goals.**

DEFINE ACCOUNT-SPECIFIC OBJECTIVES AND PLANS

The software includes tools for promotion execution, trade funds management, account trade budget planning, and account funds management. That means account managers and salespeople can plan and execute effective trade promotions while managing customer and product trade funds budgets. This helps ensure financial compliance while mitigating the risk of over- or underspending on promotion activity.

You have the support you need to build sustainable increases in baseline volume and improve revenue while decreasing overall trade spending. And by making it easier to coordinate consumer marketing and trade promotion activities, the software helps your sales resources present coordinated, tailored account plans to retailers. This gives you the support you need to build sustainable increases in baseline volume and improve revenue while decreasing overall trade spending.

RESOLVE CLAIMS AND DEDUCTIONS QUICKLY AND ACCURATELY

Deductions – both authorized and unauthorized – remain a big challenge in the consumer products industry. By resolving deductions quickly and accurately, you can maximize cash flow. And by correctly associating deductions and claims to individual promotions, you can accurately assess promotion, customer, and product profitability while improving financial reporting and compliance.

SAP Account and Trade Promotion Management for Consumer Products offers integrated tools for trade budgeting and account funds management to help you match deductions and claims to invoices and payments. It can also help you manage payments and accruals for merchandising activity based on proof of performance.

You gain complete visibility into the true costs and profitability of promotions and programs at the account and product levels, including the associated costs of deductions and claims. You also gain insight into key performance indicators such as days sales outstanding and accounts receivables aging. This helps you implement remediation measures that minimize compliance risk based on timely visibility into the aging of invoice deductions.

ASSESS TRADE PROMOTION EFFECTIVENESS

Analyzing promotion effectiveness involves comparing actual versus planned spending, revenue, volume, and profitability. It also helps account teams quickly assess and propose alternatives if actual, observed demand deviates from planned demand during promotions. Over time, the teams can identify which combinations of price and promotion are most successful – providing a solid baseline for future planning.

You can use SAP Account and Trade Promotion Management for Consumer Products to analyze actual versus planned spending, revenue, and volume and determine the profitability of promotions by customer, product, and other dimensions. You can measure consumer sell-through, gains in market share, and overall retail category impact for both yourself and the retailer. With this information, you can quickly adjust promotion and price parameters to minimize risk for current and planned promotions.

GET STARTED QUICKLY

The SAP Trade Promotion Planning and Optimization rapid-deployment solution enables faster implementation with preconfigured templates and predefined analytics. Based on SAP and industry best practices for managing enterprise-wide promotional planning processes, the solution lets you modify the implementation, add other components, and integrate other processes as needed.

LEVERAGE ONGOING INNOVATION TO ENHANCE PROMOTION RESULTS

SAP continues to invest in innovative technologies that increase the speed, granularity, flexibility, and accessibility of your promotions and help you meet the rapidly evolving needs of a global marketplace.

You can leverage the speed of in-memory computing to streamline planning processes by adding the SAP Accelerated Trade Promotion Planning application, which is powered by the SAP HANA® platform. The application helps account teams tailor promotions to targets and objectives. It quickly predicts optimal price and merchandising based on multiple dimensions of highly granular plan data – improving performance for promotions of any size.

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GET GREATER VALUE FOR YOUR TRADE PROMOTION SPENDING

SAP Account and Trade Promotion Management for Consumer Products enables:

- Coordinated and complimentary sales processes to align trade promotions, marketing campaigns, and sales execution
- Optimized account and trade promotion management to help you achieve revenue, volume, and profitability targets
- Integrated cross-functional processes, including supply chain and finance, to drive promotion success

Sales managers and marketers can more effectively establish viable pricing and promotion guidelines, create promotion templates, and allocate trade budgets – while preserving brand integrity.

Advanced modeling and optimization help account executives plan and execute effective promotions, within budget guidelines, to avoid over- and underspending. Account services can settle deductions, check requests, manage prepayments, and track customer and product profitability. You can optimize promotions, pricing, and spending while minimizing risk and enabling compliance.

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